IN THE

Supreme Court of the United States

No. 383 and No. 384.

EDWARD McGREW,

Petitioner,

vs.

FRANCIS R. HARBISON and WILLIAM P. SIMMONS.

BRIEF FOR APPELLANT.

EDWARD McGREW,
Petitioner in Person.

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BRIEF FOR APPELLANT.

Opinions delivered in the Courts below:

1. In the Supreme Court of Pennsylvania, Western District:

(Fol. 76)
(Fol. 84) Decision.

April 11, 1944, the final order of the Court below is affirmed on the opinions of President Judge Rowand and Judge McDonald; costs to be paid by appellant.

Per Curiam.

ORDER.

May 22, 1944, Reargument refused.

Per Curiam.

2. In the Court of Common Pleas, at No. 34, President Judge Rowand says (67 a): "It is undisputed that the first advertising was properly and legally made." This is in error. In Petition to Restrain Sale, on Sept. 3, 1941, (14 a), it was fully brought out that your petitioner and his property were under the exclusive jurisdiction of the Fed-

eral Courts, and exception noted to Rule "and in the event of the dismissal of this rule no further advertising of the Sheriff's Sale shall be required." He does not explain why stays were granted, pending appeals, until May 10, 1943, when the sale was made, while appeal was pending in the Circuit Court of Appeals, except (68 a) he says "and cannot complain that the grace of the Court below was exhausted".

At No. 70, Judge McDonald did not attempt to answer the question of jurisdiction as to the entering of the judgment, the issuing of the *Fi. Fa.* and advertising Sheriff's sale, and he erred in his opinion (68 a) paragraph 3, that the proceedings were regular and the State Court had jurisdiction to enter the judgment, issued the *Fi. Fa.* and advertise the Sheriff's sale and finally to proceed with the sale while the debtor and his property were under the jurisdiction of the Federal Courts. He does not explain why stays were made up until May 10, 1943, and the sale allowed at that time, after notice of appeal had been filed. He has not answered the questions set forth in this proceeding.

Statement of the grounds on which the jurisdiction of this Court is invoked:

1. The proceedings are contrary to the decisions of this Court, and were performed while this Court had jurisdiction.

2. Your petitioner is still in bankruptcy under the order of July 21, 1937, declaring him a bankrupt. The dismissal was made upon the merits, as the words "for lack of jurisdiction" are definitely omitted. After the refusal of this Court for Writ of Certiorari to the Circuit Court of Appeals at No. 170 October Term, 1942, no mandate has been issued by the Circuit Court of Appeals at No. 7824

in the Appellate Court to the Court below and no judgment has been entered at No. 19890 in the District Court.

3. Where it was found that the debtor was not a Farmer, it was the duty of the District Court to retain jurisdiction and liquidation under the Bankruptcy Act. Your petitioner believes that this Court has not ruled on this question.

The questions presented:

1.

Was the judgment entered, the *Fi. Fa.* issued and the Sheriff's Sale advertised contrary to the Laws of the United States?

2.

Are the judgment, *Fi. Fa.* and sale null and void or voidable?

3.

Is the order of July 21, 1937, at No. 19890 in Bankruptcy, declaring your petitioner a bankrupt, still in effect?

4.

Is your petitioner still in bankruptcy and his property under control of the Federal Courts?

5.

When it is found that the petitioner under Section 75 is not a Farmer, is it proper to retain jurisdiction and liquidate under the Bankruptcy Act, where the petitioner has been declared a bankrupt under Section 75(s)?

6.

Is the cause at No. 8349 still pending in the Court of Appeals?

7.

Are the proceedings hereunder and the acts performed in violation of the rights of your petitioner under the 5th and 14th amendments of the Constitution, due process and equal rights?

Statement of the Case.

John McGrew and Edward McGrew, your petitioner, gave a bond and mortgage of $4000. to Eliza H. Lewes on 47½ one acre lots, on June 10, 1909, which, after the death of the mortgagee passed to George L. Elliott, who assigned them to Francis R. Harbison, respondent, on Oct. 15, 1937. The interest of John McGrew in the property was sold to your petitioner in 1918. John McGrew died on Dec. 3, 1941. Your petitioner gave a bond and mortgage to William P. Simmons, respondent, on Nov. 1, 1930, in the sum of $4400. on 13⅓ one acre lots. Both properties are in recorded lot plans.

On May 11, 1937, your petitioner filed his petition in the District Court of the United States for the Western District of Pennsylvania under Section 75 (a to r) of the Bankruptcy Act of Congress approved July 1, 1898, and its supplements, at No. 19890 in Bankruptcy, and on July 21, 1937, was declared a Bankrupt under Section 75 (s) (7 a). On July 15, 1941, the District Court dismissed the proceedings on the grounds that your petitioner was not a Farmer. During time allowed for appeal and after notice of appeal on Aug. 25, 1941, the respondents, entered their bonds, issued *Fi. Fas.* and advertised the properties of your petitioner for Sheriff Sale on Sept. 8, 1941. On petition (14 a-15 a) the Court of Common Pleas on Sept. 17, 1941, ordered the proceeding in that Court stayed "until the final determination of the bankruptcy proceeding of the defendant

now pending in the Federal Courts and further order of this Court." (21 a). Mar. 23, 1942, Circuit Court of Appeals at No. 7824 affirmed order of the District Court of July 15, 1941, and on Oct. 12, 1942, petition for certiorari was denied at No. 170 October Term, 1942. On each adverse decision of the Federal Courts, the respondents proceeded to foreclose to sell your petitioner's property, but on petition was restrained by the Court of Common Pleas.

On Oct. 17, 1942, your petitioner filed a second petition under Section 75 (a to r) in the District Court of the United States for the Western District of Pennsylvania at No. 21361 in Bankruptcy. On petition in the Court of Common Pleas again made restraining order: "it is therefore ordered * * * that all proceedings and execution thereon * * * are hereby stayed pending final determination of said bankruptcy proceedings (29 a) at No. 34 and (31 a) at No. 70. On Mar. 25, 1943, the District Court dismissed the proceedings at No. 21361 on the grounds that your petitioner was not a Farmer.

On Apr. 17, notice of appeal to the Circuit Court of Appeals was filed at No. 8349. On Apr. 5, 1943, on petition, the State Court again ordered the sale of the property of your petitioner on May 3, 1943. The time for the sale was postponed until May 10, 1943, on petition of the District Court of United States and the filing in that Court of a petition for a Real Property Arrangement under Section 420 of Chapter XII of the Bankruptcy Act at No. 21420 in said District Court. The stay granted was vacated upon the contention of opposing counsel that a bankruptcy proceeding was pending in the Appellant Court at No. 8349. And notwithstanding the petition and prayer of your petitioner on Apr. 30, 1943 and notice of appeal to the Circuit Court of Appeals, the Common Pleas Court of Allegheny

County on petition to said Court on May 10, 1943, presented without notice to your petitioner, ordered the property under both executions sold on that day at 11 o'clock A. M. (43 a-44 a) at No. 70 and (46 a) at No. 34, of the Supreme Court of Penna. Francis R. Harbison, respondent, paid in his money in the sum of $667.80 within 10 days in accordance with the advertised conditions of Sheriff Sale and William P. Simmons did not. Petition to set aside Sheriffs and exception to the confirmation of the Sheriff's Deed were filed on May 22, 1943, at No. 200 for Harbison, being No. 34 in the State Supreme Court, and two amendments to said petition were filed on June 2, 1943, and June 21, 1943, (46 a to 50 a), (57 a to 59 a), (59 a and 60 a), and on June 21, 1943, suggestion of death of John McGrew was filed, see Appendix to Brief at page 24 of No. 34. On Sept. 7, 1943, the court made the order: "And now, to-wit, September 7th, 1943, the within matter having come on for argument, upon consideration thereof, it is hereby ordered and decreed that the rule granted May 22, 1943, to show cause be and is hereby dismissed and exceptions to the Sheriff's Sale are hereby dismissed and the Prothonotary is ordered to confirm the Sheriff's deed." By the Court. (63 a).

R—E & O'T. From this order your petitioner appeals at No. 34 March Term, 1944, to the Supreme Court of Pennsylvania. On Sept. 7, 1943, your petitioner filed as part of the record in this case his suggestion of "*Coram Non Judice*", with the Record on Appeal to the United States Circuit Court of Appeals for the Third Circuit at No. 8349.

William P. Simmons, respondent, did not pay any money into the Sheriff's office until Sept. 15, 1943 (49 a) over 4 months after the sale, and as your petitioner was not advised that the money was paid into the Sheriff's office and

his counsel having withdrawn, and did not except to the sale until after the deed was confirmed by the Court on Sept. 27, 1943, on September 30, 1943, your petitioner filed Petition to set aside the Sheriff's sale and exceptions to the confirmation of the Sheriff's Deed. Refused. Exceptions allowed (46 a to 50 a). On Oct. 21, 1943, your Petitioner filed Petition to set aside Sheriff Sale and to void judgment at No. 925 October Term, 1941 D. S. B. and to void *Fi. Fa.* at No. 388 October Term, 1941. Petition refused. Exception noted. (59 a to 63 a). From this order, your petitioner appealed to the Supreme Court of Pennsylvania at No. 70 March Term, 1944. No. 21240 in the District Court was dismissed on June 1, 1943, and in the Circuit Court of Appeals on Aug. 18, 1943, the Clerk of the District Court refused to transmit the record. At No. 21361 in the District, the praecipe to transmit Record on Appeal was made and printed copies of the Record were presented to the Clerk on time, but she refused to certify same on the grounds that it contained excerpts from the record, and on August 11, 1943, the Court of Appeals dismissed the cause. Your petitioner had complete typewritten copies of the Record made, and certified and transmitted to the Appellant Court and on Dec. 23, 1943, your petitioner presented his petition in person to the Appellant Court to reinstate Cause. Motion was taken under advisement by the Court. On the same day printed copies of Brief and Appendix were filed and offer to post bond for costs made. On Feb. 21, 1944, Appellant Court made order denying Petition to Reinstate Appeal at No. 8349.

Assignment of Error.

1.

The Courts below erred in permitting the judgment to be entered, the *Fi. Fa.* issued and the Sheriff's Sale advertised contrary to the Federal Statutes and Supreme Court rulings.

2.

The Courts below erred in not voiding the judgment, *Fi. Fa.* and Sheriff's Sale.

3.

The lower Courts erred in not finding that the order of July 21, 1937 at No. 19890 in Bankruptcy, declaring your petitioner a bankrupt, is still in effect.

4.

The lower Courts erred in not finding that your petitioner and his property are under the jurisdiction of the Federal Courts, because in both proceedings the dismissal was made upon the merits, as the words "for lack of jurisdiction" are definitely omitted.

5.

The lower Courts erred in not finding that—where it is found that the petitioner is not a Farmer under Section 75, it is proper to retain jurisdiction and liquidate under the Bankruptcy Act.

6.

The lower Courts erred in not finding that the cause at No. 8349 is still pending in the Appellant Court.

7.

The lower Courts erred in not finding that the proceedings hereunder are in violation of the constitutional rights

of your Petitioner under the 5th and 14th Amendments, due process and equal rights.

8.

The Supreme Court of Pennsylvania erred in making the following order of April 11, 1944, "the final order of the Court below is affirmed on the opinions of President Judge Rowand and Judge McDonald; costs to be paid by appellant."

Per Curiam.

Argument.

1. The Courts below erred in permitting the judgment to be entered, the *Fi. Fa.* issued and the Sheriff's Sale advertised, contrary to the Federal Statutes and Supreme Court rulings. Upon the filing of his petition on May 11, 1937 under Section 75 (a to r) the petitioner placed himself and his property under the exclusive jurisdiction of the Federal Courts (14 a). Section 75 (n) says: "The filing of a petition * * * shall immediately subject the Farmer and all his property * * * to the exclusive jurisdiction of the Court". 75 (o) says: "the following proceedings shall not be instituted * * * (2) Proceedings for foreclosure of a mortgage". 75 (p) says: "The prohibitions of sub (o) shall apply to all judicial proceedings in any Court". 75 (s) says: Any Farmer, failing to obtain * * * composition or extension, may amend his petition—asking to be adjudged a Bankrupt." Kalb v. Feuerstein, 308 U. S. 433 holds: "The filing of a petition by a Farmer under Sec. 75 of the Bankruptcy Act or a composition or extension of time to pay his debts operates *ipso facto* as a stay on the power of the State Court, in a pending proceeding to foreclose a mortgage on his property, to proceed with foreclosure, to con-

firm the foreclosure sale or to dispossess under it. "Pp. 438-440. Your petitioner said, (Par. 5, 16 a): The jurisdiction of the United States Court over the property and affairs of your petitioner was acquired in the year 1937 and has never been divested." On July 15, 1941, the District Court dismissed the petition of the defendant on the grounds that he was not a farmer. Your petitioner had 40 days to appeal and was still under the jurisdiction of the Federal Court and on August 25, 1941, (8 a) filed notice of appeal. Notwithstanding this jurisdiction, the respondent entered judgment, issued *Fi. Fa.* and advertised Sheriff's Sale.

2. The Courts below erred in not voiding the judgment *Fi. Fa.* and Sheriff's Sale.

(Kalb v. Feuerstein, 308 U. S., 433, Opinion by Mr. Justice Black; p. 438.)

"But if appellants are right in their contention that the Federal Act of itself, from the moment petition was filed and so long as it remained pending, operated in the absence of the Bankruptcy Court's consent, to oust the jurisdiction of the State Court so as to stay its power to proceed with foreclosure, to confirm a sale and to issue an order ejecting appellants from their farm, the action of the Walworth County Court was not merely erroneous but was beyond its power, void and subject to collateral attack." And the determination whether the Act did so operate is a construction of the Act and a Federal question.

Commenting on the law after the Amendment to Sub. (n) Justice Black said,—"It becomes clear that it was the intention of Congress, when it passed Sec. 75, that the farmer-debtor and all of his property should come under the jurisdiction of the Court of Bankruptcy and that the benefits of the Act should extend to the farmer prior to con-

firmation of sale, during the period of redemption, and during a moratorium and that no proceedings after filing of the petition shall be instituted, or if instituted prior to the filing of the petition, should not be maintained in any Court or otherwise." "Congress manifested its intention that the issue of jurisdiction in the foreclosing Court need not be contested or even raised by the distressed farmer-debtor."

At bar, judgment was entered and *Fi. Fa.* issued on Aug. 13, 1941, and advertisement of Sheriff's Sale started during the moratorium period between July 15, 1941, and Aug. 25, 1941, the period allowed on appeal, and said advertisement was continued after August 25, 1941, the date notice of appeal was filed.--(8 a). On April 17, 1943, defendant took his appeal from the order of said District Court of Mar. 25, 1943. 10.00 A. M. Sheriff's Sale was made on May 10, 1943, notwithstanding appeal. Securities & E. Com. v. United States R. & I. Co., 310 U. S. 434, holds: "Bankruptcy Courts on own notations of equitable principles cannot refuse to award relief Congress has accorded to the Bankrupt." At Bar, this applies under the ruling of Mr. Justice Black, cited above, the proceedings in the Common Pleas are certainly void.

3. The lower Courts erred in not finding that the order of July 21, 1937 at No. 19890 in Bankruptcy, declaring your petitioner a bankrupt, is still in effect.

On July 21, 1937, on petition, order entered adjudging said debtor "bankrupt" (7 a) and no subsequent "entered" order or "judgment" ever reversed it or attempted to change it, and no Judge has ever made such an order and without which, the said Court stands full *custodia legis* under order entered adjudging said debtor bankrupt. *In re* Shyvers D. C. Cal., 1940, 33F, Supp. 643, holds. "The Supreme Court's denial of certiorari to review order of

Circuit Court of Appeals affirming District Court's order dismissing proceedings for an agricultural composition or extension of debts did not terminate District Court's jurisdiction, but the proceeding was still pending until the subsequent filing of mandate from the Circuit Court of Appeals to the District Court." This opinion is upheld in B. & O. R. Co., v. United States, 279 U. S., 781; *in re*, Sanford Fork & Tool Co., 160 U. S. 247.

At bar, the Supreme Court of the United States, on Oct. 12, 1942, denied certiorari to the Circuit Court of Appeals for the Third Circuit at No. 170 October Term, 1942. No mandate was handed down by the Appellant Court to the District Court and no judgment has been entered in the District Court and said Court stands full *custodia legis* under the order entered adjudging your petitioner bankrupt.

4. The lower Courts erred in not finding that your petitioner and his property are under the jurisdiction of the Federal Courts, because, in both proceedings under Section 75, the dismissal was made upon the merits, as the words, "for lack of jurisdiction" are definitely omitted.

If the debtor is not a farmer, he is entitled to liquidation in some form and it is not proper to dismiss.

5. The lower Courts erred in not finding that,—when it is found that the petitioner is not a Farmer under Section 75, it is proper to retain jurisdiction and liquidate under the Bankruptcy Act.

Section 22 of the Bankruptcy Act (11 U. S. C. A., Sec. 45) Reference after adjudication. (a) "after a person has been adjudged a bankrupt, the judge may cause the trustee to proceed with the administration of the estate, or refer it (1) generally to the referee * * * (2) to any referee within the territorial jurisdiction of the court."

Baxter v. Savings Bank of Utica, N. Y., *et al.* No. 8335 Circuit Court of Appeals, Fifth Circuit, 92 F (2d) 404, holds: "Where petitioner was adjudged a bankrupt under Section 75, and then it was shown he was not a Farmer, it is proper for the Court to retain jurisdiction and liquidate as ordinary bankrupt. This is a plain case against dismissal at bar.

Schreiver v. Oxford B. & L. A. of Ohio, 116 F (2d) 683, holds: State foreclosure could not go on until farmer had defaulted, with all statute steps completed.

Lane v. Illinois B. & L. I. Co., 116 F (2d) 475, holds: Under Section 75, it is error to permit sale by State Court in absence of preliminary statutory steps attempted in bankruptcy.

Paradise L. & L. Co. vs. Federal L. B. of Berkley, Cal., 108F (2d) 832, holds after adjudication in bankruptcy required and not dismissal of petition, is imperative.

City of Long Beach v. Metcalf, 308 U. S. 602, holds: The bankruptcy court has exclusive jurisdiction.

Isaac v. Hibbs Tie & Timber Company, 282 U. S. 734, holds, and Mr. Justice Roberts says: "When a Court of competent jurisdiction takes possession of property through its officers, this withdraws the property from the jurisdiction of all other Courts."

6. The lower Courts erred in not finding that the cause at No. 8349 is still pending in the Appellant Court.

Your petitioner filed his petition for Reinstatement on Dec. 23, 1943, after he had completed his appeal, which the Court took under consideration, which action revived the case in that Court. The Court denied the petition on Feb. 21, 1944. The case was then open for appeal, which was

taken. The Court has not made a mandate to the Court below, and no judgment has been entered in the Court below and the case is still open.

7. The lower Courts erred in not finding that the proceedings are in violation of the Constitutional rights of your petitioner under the 5th and 14th Amendments, due process and equal rights.

Your petitioner went into voluntary bankruptcy under Sec. 75 (5) which put him under the exclusive jurisdiction of the Federal Courts, as set forth, and he is denied the rights of protestion against greedy foreclosure and is denied his rights under Sec. 4 (a) of the Bankruptcy Act, which gives "any person" the rights of the Act.

8. The Supreme Court of Pennsylvania erred in making its final order of Apr. 11, 1944.

The order was contrary to the law and contrary to the evidence.

Respectfully submitted,

EDWARD McGREW,
Petitioner in Person.